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BEFORE THE ARIZONA CORPORATION COMMISSION

BOB STUMP
Chairman
GARY PIERCE
Commissioner
BRENDA BURNS
Commissioner
BOB BURNS
Commissioner
SUSAN BITTER SMITH
Commissioner

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AZ CORP COMMISSION
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2014 MAR 10 PM 4 46

ORIGINAL

IN THE MATTER OF THE
APPLICATION OF
HUMBOLDT WATER SYSTEMS, INC.
FOR APPROVAL OF A FINANCING
APPLICATION.

DOCKET NO. W-02197A-13-0115 and W-
02197A-12-0410
STAFF SUPPLEMENT REGARDING
BMP'S

Arizona Corporation Commission

DOCKETED

MAR 10 2014

Open Meeting
March 11 and 12, 2014
Phoenix, Arizona

DOCKETED BY

BY THE COMMISSION:

Subsequent to the issuance of the Recommended Opinion and Order ("ROO"), Humboldt Water Systems, Inc. selected three Best Management Practices ("BMPs") for implementation in its service territory. In the interest of administrative efficiency, Staff recommends the following changes be made to the ROO, approving the three BMPs selected by the Company:

INSERT the following after Finding of Fact 35, page 5, line 23:

36. Humboldt has selected three proposed BMPs which include the Public Education Program, 4.2 (Meter Repair and/or Replacement), and 5.2 (Water System Tampering).

37. Staff concluded that Humboldt's proposed BMP Tariffs are relevant to Humboldt's service area and that the proposed BMP Tariffs conform to the templates developed by Staff. Staff has recommended approval of the three BMP tariffs selected, attached hereto as Exhibit C.

...

1 **DELETE** the Ordering Paragraph on line 1 thru 9, on page 23 and insert the following:

2 IT IS THEREFORE ORDERED that the Humboldt BMP Tariffs attached hereto as Exhibit
3 C are hereby approved.


4 IT IS FURTHER ORDERED that Humboldt shall notify its customers, in a form
5 acceptable to Staff, of the BMP Tariffs authorized herein and their effective date by means of
6 either an insert in the next regularly scheduled billing or by a separated mailing and shall provide
7 copies of the BMP Tariffs to any customer upon request.

8 IT IS FURTHER ORDERED Staff shall file a letter in the Docket confirming that
9 Humboldt's tariffs have been updated with the tariffs approved herein.

10 IT IS FURTHER ORDERED that the Humboldt BMP Tariffs authorized herein shall go
11 into effect 30 days after the date notice is sent to customers.

12 IT IS FUTHER ORDERED that Humboldt may request cost recovery of the actual costs
13 associated with the BMPs implemented in its next general rate application.

14 RESPECTFULLY SUBMITTED this 10th day of March, 2014.

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17 for _____
18 STEVEN M. OLEA
19 DIRECTOR
20 UTILITIES DIVISION
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SERVICE LIST FOR: Humboldt Water Systems, Inc
DOCKET NO. W-02197A-12-0410 and W-02197A-13-0115

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Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Company: Humboldt Water Systems, Inc.

Decision No.: _____

Phone: 800-315-5333

Effective Date: _____

Public Education Program Tariff

PURPOSE

A program for the Company to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measures and inform them of the information available from the Company.
2. Information in the newsletters shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings of print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.
5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.

Company: Humboldt Water Systems, Inc.

Decision No.: _____

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Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters for repair or replacement (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons (whichever occurs first):
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has registered 1,000,000 gallons of usage,
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Company shall also replace or reprogram any water meters that do not register in gallons. Upon the effective date of this tariff, the Company shall install all replacement meters with new:
 - a. 1-inch and smaller meters that register in 1 gallon increments,
 - b. 1-1/2-inch through 4-inch meters that register in 10 gallon increments, and
 - c. 6-inch and larger meters that register in 100 gallon increments.

Docket No. W-02197A-13-0115 & W-02197A-12-0410

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5. The Company shall keep records of all inspected and replacement meters and make this information available to the Commission upon request.

Company: Humboldt Water Systems, Inc.

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Effective Date: _____

WATER SYSTEM TAMPERING TARIFF – BMP 5.2

PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.